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ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.
Centerville, Louisiana

ANNUAL FINANCIAL REPORT

June 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10-21-98

MARSHALL W. GUIDRY, CPA
MICHELLE L. CHAUVIN, CPA

GUIDRY & CHAUVIN
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 1028 - 1013 MAIN STREET
FRANKLIN, LOUISIANA 70538

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

318 - 828-0272
FAX 318 - 828-0290

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Mary Association for Retarded Citizens, Inc.
Centerville, Louisiana 70522

We have audited the accompanying statement of financial position of the St. Mary Association for Retarded Citizens, Inc. (a nonprofit organization) as of June 30, 1998, and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the St. Mary Association for Retarded Citizens, Inc. as of June 30, 1998 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 1, 1998, on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants.

Guidry & Chauvin
Certified Public Accountants

Franklin, Louisiana
September 1, 1998

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.
Centerville, Louisiana

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ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.
Centerville, Louisiana

Statement of Financial Position
June 30, 1998

<u>ASSETS</u>	<u>1998</u>
Cash and cash equivalents	\$ 60,551
Unconditional promises to give Unrestricted	<u>9,131</u>
	69,682
Property and equipment	<u>99,495</u>
TOTAL ASSETS	<u>169,177</u>
 <u>LIABILITIES</u>	
Accounts payable	3,646
Payroll taxes payable	<u>2,886</u>
TOTAL LIABILITIES	<u>6,532</u>
 <u>NET ASSETS</u>	
Unrestricted:	
Undesignated	<u>162,645</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$169,177</u>

Subject to the comments contained in the Independent Auditor's report
and notes to financial statements which are an integral part hereof

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.
Centerville, Louisiana

Statement of Activities
For the Year Ended June 30, 1998

<u>UNRESTRICTED NET ASSETS</u>	<u>1998</u>
Support	
State Grant	\$109,845
Medicaid Waivers	17,006
Program Service Fees	27,367
Contributions	21,504
United Way	87
Interest Income	1,367
Gain on Sale of Assets	-
	<u>177,176</u>
TOTAL UNRESTRICTED SUPPORT	
Expenses	
Program Services	
Adult Habilitation	187,834
Supporting Services	
Management and General	<u>10,238</u>
TOTAL EXPENSES	<u>198,072</u>
DECREASE IN UNRESTRICTED ASSETS	(20,896)
NET ASSETS AT BEGINNING OF YEAR	<u>183,541</u>
NET ASSETS AT END OF YEAR	<u>\$162,645</u>

Subject to the comments contained in the Independent Auditor's report
and notes to financial statements which are an integral part hereof

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.
Centerville, Louisiana

Statement of Functional Expenses
Year Ended June 30, 1998

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>	
	<u>ADULT HABILITATION</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Salaries	\$110,111	-	\$110,111
Payroll Taxes	<u>8,782</u>	<u>-</u>	<u>8,782</u>
Total Salaries and Related Expenses	118,893	-	118,893
Professional Fees	1,660	2,500	4,160
Supplies	1,695	55	1,750
Telephone	671	-	671
Postage	128	96	224
Transportation	10,950	-	10,950
Conference and Meetings	492	792	1,284
Insurance	15,444	450	15,894
Repairs and Maintenance	5,355	1,261	6,616
Licenses	35	5	40
Utilities	7,860	-	7,860
Program Service Supplies	3,122	-	3,122
Miscellaneous	-	464	464
Dues	-	4,395	4,395
Office Expense	<u>2,018</u>	<u>220</u>	<u>2,238</u>
Total Expenses Before Depreciation	168,323	10,238	178,561
Depreciation Expense	<u>19,511</u>	<u>-</u>	<u>19,511</u>
Total Expenses	<u>\$187,834</u>	<u>\$ 10,238</u>	<u>\$198,072</u>

Subject to the comments contained in the Independent Auditor's report and notes to financial statements which are an integral part hereof

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.
Centerville, Louisiana

Statement of Cash Flows
Year Ended June 30, 1998

	<u>1998</u>
Cash Flows from Operating Activities:	
Excess of Expenditures over Revenues	\$(20,896)
Adjustments to Reconcile Excess of Expenditures over Revenues to Net Cash Provided by Operating Activities:	
Depreciation	19,511
Changes in Operating Assets & Liabilities:	
(Increase) decrease in accounts receivable	(267)
Increase (decrease) in accounts payable	<u>3,568</u>
 Net Cash Provided (Used) by Operating Activities	 <u>1,916</u>
 Cash Flows from Investing Activities:	
Purchases of Property and Equipment	<u>(11,407)</u>
 Net Decrease in Cash	 (9,491)
 Cash, Beginning of Year	 <u>70,042</u>
 Cash, End of Year	 <u>\$ 60,551</u>

Subject to the comments contained in the Independent Auditor's report
and notes to financial statements which are an integral part hereof

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.
Centerville, Louisiana

Notes to Financial Statements
For the Year Ended June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

St. Mary Association for Retarded Citizens, Inc. operates a non-profit school located in Centerville, Louisiana. The Association provides adult day services to the mentally retarded adults of St. Mary Parish. Individuals perform a wide variety of vocational activities such as recycling, horticulture, and janitorial. The Association is supported primarily through a grant from the Louisiana Department of Health and Hospitals - Office for Citizens with Developmental Disabilities. This contract is funded with 100% State General Funds.

Income Tax Status:

St. Mary Association for Retarded Citizens, Inc. qualifies as a tax-exempt organization under Section 501(C)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

For the purpose of the statement of cash flows, the Organization considers all of its bank accounts and certificates of deposit to be cash equivalents.

Property and Equipment:

Property and equipment are carried at cost or its estimated fair value at the date of the gift if donated. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed using the modified accelerated cost

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.
Centerville, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended June 30, 1998

recovery system over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Promises To Give:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Services:

During the year ended June 30, 1998, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the association at the center, but these services do not meet the criteria for recognition as contributed services.

Financial Statement Presentation:

The Organization had adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by the statement, the Organization has discontinued its use of fund accounting.

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.
Centerville, Louisiana

Notes to Financial Statements (Continued)
For the Year Ended June 30, 1998

Contributions:

The association has also adopted SFAS No. 116 "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

NOTE 2: STATE GRANT

St. Mary Association for Retarded Citizens, Inc. entered into a contract with the Louisiana Department of Health and Hospitals - Office for Citizens with Development Disabilities to provide habilitation services to mentally retarded adults in St. Mary Parish. Grant funds are paid monthly to the Association on a per diem basis until the contract amount is reached. Once the contract amount is reached, no more funds are disbursed to the Association. The Association files a monthly report of allowable expenses with the Office for Citizens with Development Disabilities. Allowable expenses are determined by the Office for Citizens with Development Disabilities.

NOTE 3: PROMISES TO GIVE

Unconditional promises to give consists of the following:

State grant	\$ 6,875
Medicaid Waivers	<u>2,256</u>
Total	<u>\$ 9,131</u>

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 1998:

Buildings	\$112,416
Furniture and Fixtures	39,411
Office Equipment	8,471
Transportation Equipment	<u>114,549</u>
	274,847
Accumulated Depreciation	<u>(175,352)</u>
Total Property and Equipment	<u>\$ 99,495</u>

The depreciation expense at June 30, 1998 was \$19,511.

Independent Auditor's Report Required
By Governmental Auditing Standards

GUIDRY & CHAUVIN
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A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 1028 1013 MAIN STREET
FRANKLIN, LOUISIANA 70538

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318 - 828-0272
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
St. Mary Association for Retarded Citizens, Inc.
Centerville, LA 70522

We have audited the financial statements of the St. Mary Association for Retarded Citizens, Inc. (a non-profit organization) as of and for the year ended June 30, 1998 and have issued our report thereon dated September 1, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the St. Mary Association for Retarded Citizens financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Mary Association for Retarded Citizen's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Report on Internal Control
September 1, 1998
Page Two

This report is intended for the information of the board of directors, and the Louisiana Department of Health and Hospitals. However, this report is a matter of public record and its distribution is not limited.

Mudry & Chauvin
Certified Public Accountants

Franklin, Louisiana
September 1, 1998

Schedules and Data Collection Form

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.
Summary Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1998

We have audited the financial statements of the St. Mary Association for Retarded Citizens, Inc. as of and for the year ended June 30, 1998, and have issued our report thereon dated September 1, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 1998 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

- a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control									
Material				Reportable					
Weaknesses	___	Yes	<u>X</u>	No	Conditions	___	Yes	<u>X</u>	No
Compliance									
Compliance Material to Financial Statements	___	Yes	<u>X</u>	No					

- b. Federal Awards - There are no federal awards

- c. Identification of Major Programs:

None - There are no federal awards

Section II Financial Statement Findings

1998: No matters were reported

Section III Federal Award Findings and Questioned Costs

1998: There are no federal awards, therefore there were no findings or questioned costs.

ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 1998

<u>Ref.No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Note: There were no prior year audit findings to be listed in this schedule.

ST. MARY ASSOCIATION OF RETARDED CITIZENS, INC.

Management's Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 1998

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person(s)</u>	<u>Anticipated Completion Date</u>

Note: There are no current year audit findings or management letter comments to be included in this schedule.

DATA COLLECTION FORM
FOR REPORTING ON AUDITS OF STATE AND LOCAL GOVERNMENT AND QUASIPUBLIC ENTITIES

OMB Form 0348-0057 may be used as a substitute for this form. RETURN to: Legislative Auditor
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1. Fiscal Year Ending Date For This Submission: 06/30/98
2. Type of Report:
3. Audit Period Covered
 Annual Biennial
 Other to

2. Type of Report:
 Single Audit GAO Audit Standards Audit
 Compilation Compilation/Attestation
 Program Audit Other

4. AUDITEE INFORMATION	5. AUDITOR INFORMATION
Auditee Name ST. MARY ASSOCIATION FOR RETARDED CITIZENS, INC.	Firm Name GUIDRY & CHAUVIN, CPA'S
Street Address (Number and Street) 100 MISSOURI STREET	b. Street Address (Number and Street) 1013 MAIN STREET
Mailing Address (PO No.) POST OFFICE BOX 3	Mailing Address (PO No.) POST OFFICE BOX 1028
City State Zip CENTERVILLE LA 70522	City State Zip FRANKLIN LA 70538
Auditee Contact Name Title CONNIE WALTNER DIRECTOR	c. Auditor Contact Name Title MICHELE L. CHAUVIN CPA
Telephone Fax (318) 836-9445	Telephone Fax (318) 828-0272 (318) 828-0290
Email (Optional)	Email (Optional)

Component Units Included Within the Report and for Which No Separate Report Will Be Issued:

If there are no modifications to the auditor's financial opinion, no reportable conditions, no material weaknesses, no reported instances of noncompliance, and no management letter, check this box do not complete the rest of the form.

6. FINANCIAL STATEMENTS
a. Type of audit report on financial statements. Not Applicable
 Unqualified Opinion Qualified Opinion Adverse Opinion Disclaimer of Opinion
b. Is a 'going concern' explanatory paragraph included in the audit report? Yes No
c. Do any of the funds have deficit fund balances? Yes No
d. Is there a related party footnote? Yes No

7. INTERNAL CONTROL
Do the comments on internal control include: material weaknesses reportable conditions not applicable

8. COMPLIANCE
Do the comments on compliance include: illegal acts fraud/criminal acts not applicable

9. MANAGEMENT LETTER (Finding Caption and No.)

_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable

10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

_____	\$ _____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	\$ _____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable

Do any findings address nepotism, ethics violations or related party transactions? Yes No
Do any findings address violation of bond indenture covenants? Yes No

11. SCHEDULE OF PRIOR YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
_____	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable

AUDITEE SIGNATURE <u>Connie L. Walters</u> Date <u>9-30-98</u>		
FOR USE BY LEGISLATIVE AUDITOR		
Agency No. _____	Proj. No. _____	Firm No. _____

FOR USE BY LEGISLATIVE AUDITOR

Date Report Received: _____ Date Processed: _____

Legislative Audit Advisory Council:	Are there unresolved findings listed below?	Yes or No
District Attorney:	Are there findings of criminal acts?	Yes or No
Board of Ethics:	Are there findings of ethics, nepotism, or related parties?	Yes or No
State Bond Commission (SBC):	Are there any findings relating to violations of bond indentures?	Yes or No
	Does the report express going-concern reservations?	Yes or No
	Does the entity have a deficit greater than 5% of revenue? If so, identify the page(s) No(s) _____	Yes or No
High Profile:	Are there any significant findings?	Yes or No

Report: Approved for Release _____ Date: _____ Rank A B C D

(A=No Comments; B=Management Letter Comments Only; C=Control/Compliance Report(s) Comments; D=Criminal/Fraud Acts)
 Note: For grading purposes, schedules of immaterial findings are treated as a management letter

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District Attorney _____	1	Quality Assurance	1
Legislative Auditor (High Profile)	1	_____ Parish Government	1
Assistant Legislative Auditor (High Profile)	1	City/Village/Town of _____	1
Other (High Profile) _____	1	Other: _____	1
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